

AEON Thana Sinsap (Thailand) Public Company Limited

Update

Ratings

National

Long-Term Rating	A-(tha)
Short-Term Rating	F2(thai)

Outlook

National Long-Term Rating	Stable
---------------------------	--------

Financial Data

AEON Thana Sinsap (Thailand) Public Company Limited

	31 Aug 18	28 Feb 18
Total assets (USDm)	2,578	2,567
Total assets (THBbn)	84.4	80.8
Total equity (THBbn)	17.3	15.8
Net income (THBbn)	1.8 ^a	3.0
Operating profit/average assets (%)	5.4 ^b	4.9
Impaired loans/gross loans (%)	2.7	2.4
Loan loss allowances/impaired loans (%)	128.6	135.7
Debt/tangible equity (x)	3.7	3.9

^a Six months

^b Annualised

Source: Fitch Ratings, Fitch Solutions

Key Rating Drivers

Standalone Profile Drives Rating: The ratings of AEON Thana Sinsap (Thailand) Public Company Limited (AEONTS) are driven by its sound consumer lending franchise, established track record, strong profitability, and its moderate buffers in capital and asset quality. The ratings also reflect the high level of competition in the unsecured personal-lending sector from both commercial banks and non-bank financial institutions.

Well-Established Franchise: AEONTS is one of the largest non-bank consumer finance companies in Thailand. Around 90% of the company's total revenue is from credit cards and personal loans. AEONTS has built up a sustainable presence and scale since its incorporation in 1992, supported by a nationwide network of 104 branches as of August-2018.

Robust Market Share: Fitch estimates that AEONTS has market shares of 9.9% in credit cards and 10.8% in personal loans as of August-2018 (data includes banks and non-banks). In particular, AEONTS has been able to expand its credit card business (from a market share of around 7% in 2014) through partnerships with corporates such as hypermarket chain Big C and national carrier Thai Airways, and by entering into higher-income segments. Fitch expects competition in this sector to remain high.

Asset Quality Stable: AEONTS's loans delinquent for more than three months have mostly been in line with or better than sector trends, and have slightly improved over the past several quarters. However, while the operating environment appears to be stable now, there remain medium-term risks, particularly due to high levels of household indebtedness. This suggests downside risks to impairments should the economic situation unexpectedly deteriorate.

The Bank of Thailand implemented macro-prudential measures in the credit card and personal loan segments in September 2017, which are aimed at controlling consumer leverage in lower-income segments. The measures have reduced short-term growth in the sector, but should support the sector's asset quality over the medium to long term.

Relatively Strong Profitability: AEONTS has had a sound through-the-cycle earnings track record, despite a sometimes-volatile operating environment. Fitch assesses the company's near-term outlook as relatively benign, supported by improving economic growth, low unemployment rates and stabilising credit costs.

More Diverse Funding than Non-Banks: AEONTS's funding sources are diverse compared with other non-banks. It has long-standing, close links to Japanese banks, supported by its group relationships. AEONTS also has a history of good access to capital markets, including past securitised issuances. Nevertheless, the company's funding and liquidity situation may not be as strong as that of commercial banks that have stable, low-cost deposit bases.

Rating Sensitivities

Franchise and Capital Improvements: There could be upside to the ratings if AEONTS were to further build its franchise, which would be evident in enhancements in scale and profitability, as well as its capital buffers, without a concurrent increase in risk appetite.

Significant Deteriorations: There could be downside to the ratings if AEONTS's financial performance were to significantly deteriorate, particularly in terms of asset quality and leverage.

Related Research

Fitch Affirms AEON Thana Sinsap at 'A-(tha)'; Outlook Stable (August 2018)

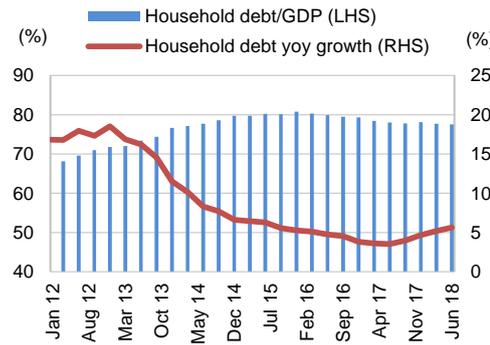
Analysts

Parson Singha, CFA
+66 2108 0151
parson.singha@fitchratings.com

Jackerin Jeeradit
+66 2108 0163
jackerin.jeeradit@fitchratings.com

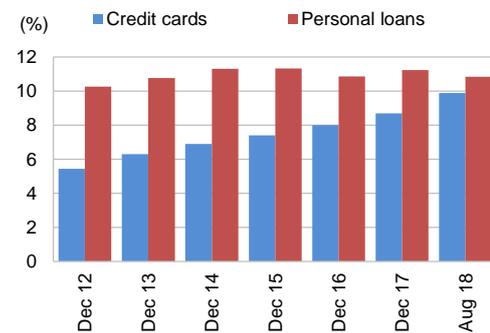
- Household debt of nearly 80% of GDP is high compared with that of other emerging markets. The rate of growth of household debt has slowed, but the high levels of indebtedness means that consumers may be more vulnerable in the event of worse-than-expected economic stresses.

Thai Household Debt



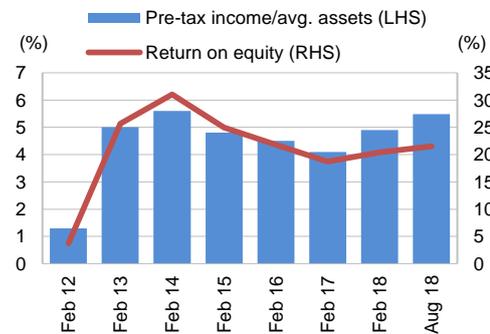
Source: Bank of Thailand

AEONTS Market Shares



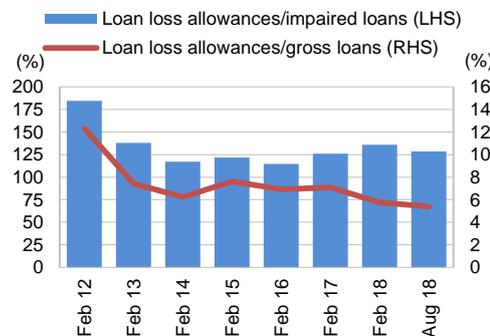
Source: Fitch Ratings estimates, Bank of Thailand

AEONTS Profitability Trends



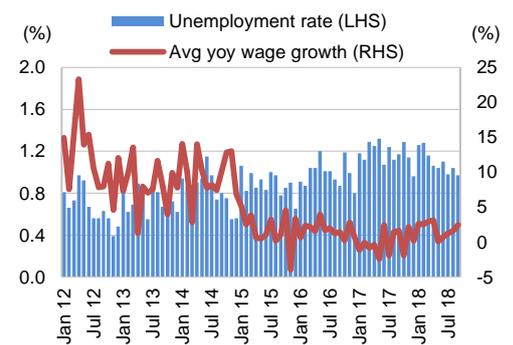
Source: Fitch Ratings, Fitch Solutions, AEONTS

AEONTS Asset Quality Buffers



Source: Fitch Ratings, Fitch Solutions, AEONTS

Thai Labour Market

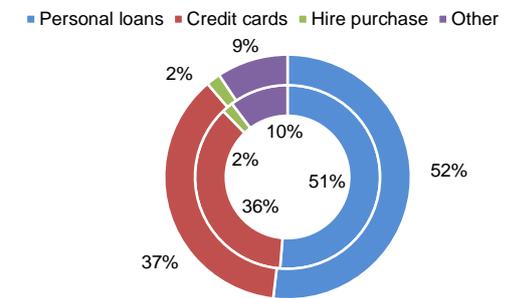


Source: Bank of Thailand

AEONTS Revenue Breakdown

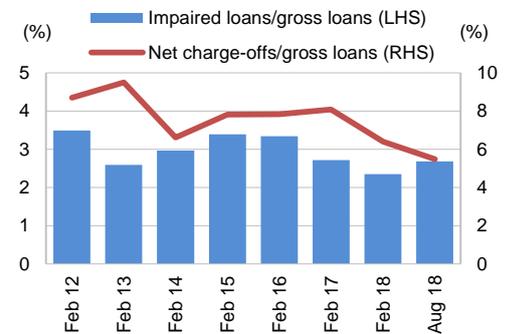
Outer circle: Aug 2018

Inner circle: FY17



Source: AEONTS

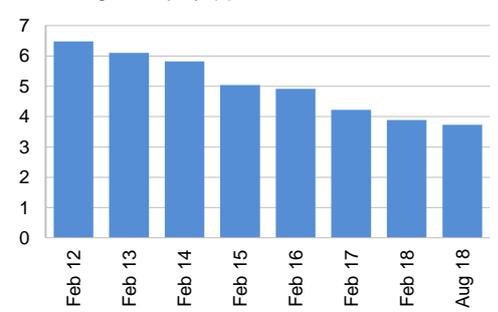
AEONTS Asset Quality Trends



Source: Fitch Ratings, Fitch Solutions, AEONTS

AEONTS Capitalisation

Debt/tangible equity (x)



Source: Fitch Ratings, Fitch Solutions, AEONTS

Related Criteria

[Non-Bank Financial Institutions Rating Criteria \(October 2018\)](#)

[National Scale Ratings Criteria \(July 2018\)](#)

AEON Thana Sinsap (Thailand) Public Company Limited Balance Sheet

	31 Aug 2018		28 Feb 2018		28 Feb 2017		29 Feb 2016		20 Feb 2015		
	6 Months - Interim USDm	6 Months - Interim THBm	As % of Assets	Year End THBm	As % of Assets	Year End THBm	As % of Assets	Year End THBm	As % of Assets	Year End THBm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	2,427.5	79,481.7	94.17	75,652.0	93.66	65,982.1	90.84	62,982.5	86.93	58,777.3	91.28
6. Less: Loan Loss Allowances	83.6	2,735.9	3.24	2,414.2	2.99	2,259.4	3.11	2,412.0	3.33	2,428.5	3.77
7. Net Loans	2,344.0	76,745.8	90.93	73,237.8	90.67	63,722.7	87.73	60,570.5	83.60	56,348.8	87.51
8. Gross Loans	2,427.5	79,481.7	94.17	75,652.0	93.66	65,982.1	90.84	62,982.5	86.93	58,777.3	91.28
9. Memo: Impaired Loans included above	65.0	2,127.3	2.52	1,778.9	2.20	1,792.5	2.47	2,105.7	2.91	1,992.2	3.09
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Derivatives	11.9	391.0	0.46	303.7	0.38	1,840.1	2.53	3,161.0	4.36	965.2	1.50
4. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	0.6	20.1	0.02	20.1	0.02	26.7	0.04	26.7	0.04	26.7	0.04
8. Total Securities	0.6	20.1	0.02	20.1	0.02	26.7	0.04	26.7	0.04	26.7	0.04
9. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	1.1	36.4	0.04	32.5	0.04	31.5	0.04	41.2	0.06	37.2	0.06
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	1,399.4	1.93	1,399.4	2.17
15. Total Earning Assets	2,357.6	77,193.3	91.46	73,594.1	91.11	65,621.0	90.34	65,198.8	89.99	58,777.3	91.28
C. Non-Earning Assets											
1. Cash and Due From Banks	121.8	3,989.0	4.73	4,089.8	5.06	3,649.1	5.02	3,808.6	5.26	2,769.4	4.30
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	28.6	935.0	1.11	900.5	1.11	1,044.9	1.44	949.7	1.31	1,029.8	1.60
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	16.5	540.0	0.64	527.5	0.65	591.5	0.81	650.4	0.90	737.4	1.15
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	16.5	540.8	0.64	446.6	0.55	395.9	0.55	459.1	0.63	481.2	0.75
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	36.8	1,206.2	1.43	1,212.9	1.50	1,335.9	1.84	1,384.6	1.91	597.0	0.93
11. Total Assets	2,577.9	84,404.3	100.00	80,771.4	100.00	72,638.3	100.00	72,451.2	100.00	64,392.1	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Total Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Deposits from Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Repos and Securities Lending	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Commercial Paper and Short-term Borrowings	682.3	22,340.4	26.47	18,305.8	22.66	16,365.6	22.53	19,759.9	27.27	13,848.5	21.51
5. Customer Deposits and Short-term Funding	682.3	22,340.4	26.47	18,305.8	22.66	16,365.6	22.53	19,759.9	27.27	13,848.5	21.51
6. Senior Unsecured Debt	1,222.6	40,030.6	47.43	41,033.9	50.80	39,282.3	54.08	37,332.5	51.53	35,107.6	54.52
7. Subordinated Borrowing	2.3	76.0	0.09	71.2	0.09	45.3	0.06	29.9	0.04	n.a.	-
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	0.0	0.3	0.00	4.9	0.01	16.9	0.02	n.a.	-	n.a.	-
10. Total LT Funding	1,224.9	40,106.9	47.52	41,110.0	50.90	39,344.5	54.16	37,362.4	51.57	35,107.6	54.52
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	1,907.3	62,447.3	73.99	59,415.8	73.56	55,710.1	76.70	57,122.3	78.84	48,956.1	76.03
14. Derivatives	52.4	1,717.2	2.03	2,772.6	3.43	789.9	1.09	549.3	0.76	2,731.9	4.24
15. Total Funding and Derivatives	1,959.7	64,164.5	76.02	62,188.4	76.99	56,500.0	77.78	57,671.6	79.60	51,688.0	80.27
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	5.6	182.5	0.22	151.9	0.19	132.9	0.18	89.0	0.12	76.2	0.12
4. Current Tax Liabilities	15.8	515.9	0.61	413.6	0.51	266.5	0.37	281.7	0.39	314.5	0.49
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	n.a.	n.a.	-	173.6	0.21	133.3	0.18	133.2	0.18	105.9	0.16
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	68.7	2,247.8	2.66	2,022.1	2.50	1,832.7	2.52	2,019.0	2.79	1,762.7	2.74
10. Total Liabilities	2,049.7	67,110.7	79.51	64,949.6	80.41	58,865.4	81.04	60,194.5	83.08	53,947.3	83.78
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity											
1. Common Equity	520.8	17,053.4	20.20	15,826.5	19.59	13,728.7	18.90	12,185.9	16.82	10,445.3	16.22
2. Non-controlling Interest	10.0	325.8	0.39	85.2	0.11	76.2	0.10	83.9	0.12	0.6	0.00
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	(2.6)	(85.6)	(0.10)	(89.9)	(0.11)	(32.0)	(0.04)	(13.1)	(0.02)	(1.1)	(0.00)
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	528.2	17,293.6	20.49	15,821.8	19.59	13,772.9	18.96	12,256.7	16.92	10,444.8	16.22
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for	528.2	17,293.6	20.49	15,821.8	19.59	13,772.9	18.96	12,256.7	16.92	10,444.8	16.22
8. Total Liabilities and Equity	2,577.9	84,404.3	100.00	80,771.4	100.00	72,638.3	100.00	72,451.2	100.00	64,392.1	100.00
9. Memo: Fitch Core Capital	495.2	16,212.8	19.21	14,847.7	18.38	12,785.5	17.60	11,147.9	15.39	9,226.2	14.33

Exchange rate

USD1 = THB32.742

USD1 = THB31.464

USD1 = THB34.8819

USD1 = THB35.7252

USD1 = THB32.563

AEON Thana Sinsap (Thailand) Public Company Limited Summary Analytics

	31 Aug 2018 6 Months - Interim	28 Feb 2018 Year End	28 Feb 2017 Year End	29 Feb 2016 Year End	20 Feb 2015 Year End
A. Interest Ratios					
1. Interest Income/ Average Earning Assets	24.17	24.16	24.03	24.96	26.27
2. Interest Income on Loans/ Average Gross Loans	23.49	23.70	24.38	25.44	26.49
3. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	3.49	3.56	3.64	4.24	4.61
5. Net Interest Income/ Average Earning Assets	21.25	21.13	20.84	21.26	22.21
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	15.69	15.25	13.86	14.47	14.65
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	21.25	21.13	20.84	21.26	22.21
B. Other Operating Profitability Ratios					
1. Operating Profit/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
2. Non-Interest Expense/ Gross Revenues	49.54	50.55	48.78	49.97	48.01
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	48.23	52.31	60.26	57.78	59.16
4. Operating Profit/ Average Total Assets	5.44	4.87	4.16	4.54	4.79
5. Non-Interest Income/ Gross Revenues	6.85	7.19	7.92	9.39	9.36
6. Non-Interest Expense/ Average Total Assets	10.32	10.45	9.98	10.73	10.80
7. Pre-impairment Op. Profit/ Average Equity	51.94	53.14	59.31	64.74	76.58
8. Pre-impairment Op. Profit/ Average Total Assets	10.52	10.22	10.47	10.75	11.73
9. Operating Profit/ Average Equity	26.89	25.34	23.57	27.33	31.27
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	21.53	20.39	18.72	21.79	24.96
2. Net Income/ Average Total Assets	4.36	3.92	3.30	3.62	3.82
3. Fitch Comprehensive Income/ Average Total Equity	21.70	20.02	18.44	21.73	24.79
4. Fitch Comprehensive Income/ Average Total Assets	4.39	3.85	3.25	3.61	3.80
5. Taxes/ Pre-tax Profit	19.81	19.38	19.74	20.27	20.19
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
D. Capitalization					
1. FCC/ FCC-Adjusted Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
2. Tangible Common Equity/ Tangible Assets	19.46	18.61	17.84	15.63	14.60
3. Equity/ Total Assets	20.49	19.59	18.96	16.92	16.22
4. Basel Leverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
5. Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
8. Total Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	(3.75)	(4.28)	(3.65)	(2.75)	(4.73)
10. Impaired Loans less Loan Loss Allowances/ Equity	(3.52)	(4.02)	(3.39)	(2.50)	(4.18)
11. Cash Dividends Paid & Declared/ Net Income	n.a.	32.14	35.66	35.06	35.68
12. Risk Weighted Assets/ Total Assets	n.a.	n.a.	n.a.	n.a.	n.a.
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.	n.a.
E. Loan Quality					
1. Impaired Loans/ Gross Loans	2.68	2.35	2.72	3.34	3.39
2. Growth of Gross Loans	5.06	14.66	4.76	7.15	7.01
3. Loan Loss Allowances/ Impaired Loans	128.61	135.71	126.05	114.55	121.90
4. Loan Impairment Charges/ Average Gross Loans	5.40	5.77	7.08	6.92	7.62
5. Growth of Total Assets	4.50	11.20	0.26	12.52	6.19
6. Loan Loss Allowances/ Gross Loans	3.44	3.19	3.42	3.83	4.13
7. Net Charge-offs/ Average Gross Loans	5.48	6.40	8.08	7.83	7.82
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	2.68	2.35	2.72	3.34	3.39
F. Funding and Liquidity					
1. Loans/ Customer Deposits	n.a.	n.a.	n.a.	n.a.	n.a.
2. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	n.a.	n.a.	n.a.	n.a.	n.a.
4. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	n.a.	n.a.	n.a.	n.a.	n.a.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2018 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.